

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3284 - HB 3888

March 2, 2010

SUMMARY OF BILL: Requires the Alcoholic Beverage Commission (ABC) to suspend a license to sell alcoholic beverages for on-premises consumption when a license to sell beer for on-premises consumption is suspended by a local beer board. Under current law, ABC has discretionary authority to suspend these licenses.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$75,000

Increase State Expenditures – Not Significant

Decrease Local Revenue – \$10,000

Assumptions:

- According to ABC, notice of suspensions is rarely received. There is no central agency that records beer board suspensions. The number of suspensions is unknown.
- In the absence of data, the number of suspensions by local beer boards is conservatively estimated to be 10 per year statewide; suspensions are estimated to average 90 days.
- Based on information provided by the Department of Revenue, the average decrease to state sales tax revenue and local option sales tax revenue per license suspension will be \$7,500 and \$1,000 per 90 days respectively. The decrease to state and local sales tax revenue is estimated to be \$75,000 per year respectively (\$7,500 x 10) and \$10,000 (\$1,000 x 10).
- Reviewing and ruling upon local suspensions can be accommodated within existing ABC resources resulting in a not significant increase to state expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/agl

SB 3284 - HB 3888